


Remarks

In the Office Action mailed November 3, 2003:

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1. Claims 1-4, 6, 8, 10-11, 20, 22, 24-25, 34-39 and 44-47 were rejected under 35 U.S.C. § 103(a) in view of U.S. Patent No. 6,338,050 (Conklin) and U.S. Patent No. 6,260,024 (Shkedy);
 2. Claims 5 and 9 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 5,677,955 (Doggett);
 3. Claim 7 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Doggett and U.S. Patent No. 6,070,150 (Remington);
 4. Claims 12-16, 18-19, 30-33 and 41 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 6,029,151 (Nikander);
 5. Claim 17 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Nikander and U.S. Patent No. 6,069,896 (Borgstahl);
 6. Claims 21, 23, 26-28, 40 and 43 were rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy and U.S. Patent No. 5,963,647 (Downing);
 7. Claim 29 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Downing and Nikander;
 8. Claim 42 was rejected under 35 U.S.C. § 103(a) in view of Conklin, Shkedy, Nikander and U.S. Patent No. 5,159,592 (Perkins);

I. Conklin (U.S. Patent No. 6,338,050)

The invention disclosed in Conklin relates to “systems for conducting negotiations and transactions” (column 1, lines 7-9). There are significant differences between Conklin and claimed embodiments of Applicants’ invention.

A. Conklin Requires Communication Between Parties

In claimed embodiments of the present invention, there is no communication between parties engaging in a value exchange.

In Conklin, as in other references previously cited by the Examiner (e.g., Doggett, Downing, Kasai), parties must communicate with each other before there can be any “exchange

of value.” In particular, in Conklin the parties communicate to negotiate a deal:

It is an aspect of the present invention that it provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to *negotiate* all the terms and conditions of a transaction—not just the price. (column 14, lines 30-33; emphasis added).

... the participants negotiate terms iteratively, back and forth through multivariate negotiations engine 212 until the deciding entity accepts and closure 240 is reached. (column 25, lines 5-9)

Thus, not only does a buyer communicate suggested terms, or an offer, to a seller, but the seller must respond (e.g., with a counteroffer).

Conklin “allows a buyer/participant to ... propose and negotiate orders and counteroffers” (column 14, lines 7-8). Fig. 1i is a flow diagram of the steps of the iterative multivariate negotiations engine, and shows that one participant must propose terms to another participant, “thereby creating a communication path” between the initiating participant’s terminal and the destination participant’s terminal (column 23, lines 37-46). The two participants are negotiators (column 23, line 50) and direct several communications to each other.

B. Conklin does not Receive a Value Exchange Transaction or Request

Current embodiments of the present invention (e.g., claim 1) recite the receipt, at a value exchange system, of a value exchange transaction prior to a second party learning of the transaction. The Conklin system does not receive a value exchange transaction, if it receives one at all, until after the parties have communicated with each other. Instead, the Conklin system receives terms of a negotiation from one participant (column 23, lines 39-43); then the participants negotiate those terms (column 23, line 63 to column 24, line 4). The “system” could be a multivariate negotiations engine 212 (Fig. 1e), but a sponsor (see Fig. 1a, reference 06; column 17, lines 14-24) is preferred (column 24, lines 60-63).

Similarly, Conklin does not receive a *request* for a value exchange until after both parties have communicated with each other; even then, there may not be a value exchange at all. The only thing Conklin receives from one party, before the two parties communicate, are terms to be negotiated between a buyer and a seller.

C. Buyers Don't Identify Sellers by Electronic Mail Addresses

In an embodiment of the invention (e.g., claim 44), a value transfer system receives a second user's electronic mail address as part of a value transfer request from a first user. In Conklin, a buyer does not identify a seller to a sponsor or negotiation engine by electronic mail address. Instead, a buyer proposes terms to a seller "over the Internet 04 through multivariate negotiations engine system 02, thereby creating a communications path which is ultimately directed by multivariate negotiations engine system over the Internet 04 to the destination terminal" of the seller (column 23, lines 39-45). Thus, the seller is identified by a name, a website, the products it sells, etc.

This is necessary because of the closed community implemented in Conklin. Buyers and sellers appear to negotiate with each other in communities hosted by a sponsor or negotiations engine. Thus, not only must buyers and sellers communicate with each other, unlike claimed embodiments of Applicants' invention, specialized communications are required (not electronic mail).

II. Selected Claims

A. Claims 1 and 39

Conklin and Shkedy require communication between the buyer and the seller involved in a negotiation or a deal. In particular, as described above, a buyer directs a first set of proposed terms of a deal to one or more sellers. In claim 1, a value transfer system receives a value transfer transaction from a first user "without requiring a user to initiate communication with another user." There is no negotiation between the parties. Only after the transaction has been received at the Conklin system (e.g., the terms are set) is the second user notified.

B. Claims 26, 40

Claims 26 and 40 have been amended to make it clearer that, in the claimed embodiment of the invention, terms of the value exchange received by the transaction from the first user are not negotiable by the second user. As described in the previous section, Conklin requires negotiation between the parties – no terms are finalized until they have communicated between

themselves. Therefore, Conklin teaches away from the claimed embodiment of Applicants' invention.

C. Claims 30, 41

Claims 30 and 41 have been amended to reflect an embodiment of the invention in which an amount being exchanged between a first user and a second user is specified by the first user and is non-negotiable by the second user. As described in the previous section, Conklin requires negotiation between the parties – no terms are finalized until they have communicated between themselves. Therefore, Conklin teaches away from the claimed embodiment of Applicants' invention.

D. Claims 34-37

Regarding claims 34-37, the Examiner stated that it would have been obvious to one with ordinary skill in the art to include separate servers for synchronization, communication, financial, and security. Applicants traverse. No reference has been identified that teaches or suggests the combination of entities proposed by Applicants.

Further, in a value exchange transaction submitted by a first party to a value exchange system in claim 34, the first party identifies the second party by electronic mail address. As described in the preceding section, a buyer in a Conklin community cannot do this.

E. Claim 42

Claim 42 requires a value receiver to be identifiable, for the purposes of a value transfer, only by an electronic mail address. The Examiner recognized that neither Doggett nor Kasai disclose this element (paragraph 12 of the previous office action). And Perkins (column 2, line 61 to column 3, line 14) discusses the association of an Internet address with a mobile unit in a "pseudo-network" – a network that is not physically embodied.

However, an Internet address or a network address is not the only way to identify the mobile unit in Perkins. At column 5, lines 57-60, Perkins requires a mobile unit to identify itself to a gateway with a separate serial number before the mobile unit can be given an Internet address. Thus, Perkins *teaches away* from Applicants' invention.

Also, an Internet address is not the same thing as an electronic mail address; as the Examiner is no doubt well aware, multiple electronic mail addressees can use a single Internet (IP) address. Thus, an Internet address cannot disambiguate one user from another.

F. Claim 43

Claim 43 recites a value transfer involving a user identified only by an electronic mail address. Conklin identifies sellers by websites (column 31, lines 60-64). Shkedy identifies sellers by name, contact information, type of business, etc. (column 10, lines 11-14). Thus, neither Conklin nor Shkedy teach or suggest this limitation of claim 43.

G. Claim 44

In the embodiment of the invention reflected in claim 44, a value transfer system receives a second user's electronic mail address as part of a value transfer request. As described in the previous section, buyers in Conklin communicate (negotiate) with sellers through a proprietary system; they cannot and do not use electronic mail addresses to identify each other.

Further, in claim 44 the second user's electronic mail address is sufficient for the value transfer system to transfer the requested value from the first user to the second user. This is possible because the terms of the value transfer are set by the first user. Because Conklin provides a negotiation system, the Conklin system requires much more information (e.g., what is being sold, quantity, delivery terms, seller name), in order to conduct a negotiation.

CONCLUSION

No new matter has been added with the preceding amendments. It is submitted that the application is in suitable condition for allowance. Such action is respectfully requested. If prosecution of this application may be facilitated through a telephone interview, the Examiner is invited to contact Applicant's attorney identified below.

Respectfully submitted,

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